

Dollar on the back foot as China recovery hopes rise

By  Andre Cilliers

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The dollar has started the new trading week on the back foot as market optimism over a bounce in the Chinese economy grows. The greenback is also under pressure from the current impasse between the Democrats and the Republicans over the raising of the debt ceiling in the US and ahead of Thursday's Q4 GDP number.



Source: [Fxabay](#)

Last week, US government debt hit \$31.4tn, and without an agreement to raise the debt ceiling, we could see a shutdown of the US government.

The DXY index is down at 101.73 this morning, with the dollar trading at 1.0895 against the euro, 1.2415 against the pound, and at 129.90 against the yen. Volumes in Asia are very thin due to the Chinese Lunar New Year holidays.

The rand is trading unchanged at R17.11 this morning after having recovered from an intraday worst level of 17.35 late on Friday.

Precious metals ended slightly weaker on Friday and are trading relatively flat this morning. Gold is currently at \$1,924, Platinum is at \$1,042, and Palladium is at \$1,735. Brent crude is holding on to Friday's gains and currently sits at \$87.60, while WTI is at \$82.70.

ABOUT ANDRE CILLIERS

Andre is the Currency Risk Strategist at TreasuryONE. Andre's career in treasury spans more than 30 years. He has gained his extensive currency risk experience in both the banking and corporate arena. Before joining TreasuryONE, Andre headed up the treasury department for a Tier One German international bank in South Africa.

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